

STATE OF MICHIGAN



WILLIAM G. MILLIKEN, Governor

DEPARTMENT OF TREASURY

LOREN E. MONROE, State Treasurer

STATE TAX COMMISSION

4th Floor, Treasury Building
Lansing, Michigan 48922 Telephone 517 373-0500

COMMISSION MEMBERS

W. EUGENE ATKINSON
WARD G. DEXEL
ROBERT O. VANDERMARK

No. 2 - January 5, 1982
Taxes - Industrial Facilities
Tax Exempt Property

TO: County Equalization Directors

FROM: Emil E. Tahvonen, Administrator
State Tax Commission

RE: Act 211, P.A. of 1981 (House Bill 4686)
Act 214, P.A. of 1981 (House Bill 4494)

Attached are the two above captioned acts. Each of these Acts are effective as of December 30, 1981.

Act 211, P.A. of 1981

Amends Section 2 of Act 198, P.A. of 1974 Industrial Development and Plant Rehabilitation Districts and Tax Abatements.

The amendment removes the previously existing restrictions and conditions governing the lease of personal property being considered for tax abatement.

Act 214, P.A. of 1981

The Act amends Section 7n of the General Property Tax Act. Property exempt from taxation. Please read carefully.

If you have any questions please write or phone 517-373-0500.

Act No. 211
Public Acts of 1981
Approved by Governor
December 30, 1981, I.E.

**STATE OF MICHIGAN
81ST LEGISLATURE
REGULAR SESSION OF 1981**

Introduced by Reps. Hollister, Jondahl and Stabenow

ENROLLED HOUSE BILL No. 4686

AN ACT to amend section 2 of Act No. 198 of the Public Acts of 1974, entitled "An act to provide for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of the state tax commission and certain officers of local governmental units; and to provide penalties," as amended by Act No. 37 of the Public Acts of 1978, being section 207.552 of the Compiled Laws of 1970.

The People of the State of Michigan enact:

Section 1. Section 2 of Act No. 198 of the Public Acts of 1974, as amended by Act No. 37 of the Public Acts of 1978, being section 207.552 of the Compiled Laws of 1970, is amended to read as follows:

Sec. 2. (1) "Commission" means the state tax commission created by Act No. 360 of the Public Acts of 1927, as amended, being sections 209.101 to 209.107 of the Michigan Compiled Laws.

(2) "Facility" means either a replacement facility or a new facility.

(3) "Replacement facility" means:

(a) In the case of a replacement or restoration which occurs on the same or contiguous land as that which is replaced or restored, industrial property which is or is to be acquired, constructed, altered, or installed for the purpose of replacement or restoration of obsolete industrial property together with any part of the old altered property which remains for use as industrial property after the replacement, restoration, or alteration.

(b) In the case of construction on vacant noncontiguous land, property which is or will be used as industrial property which is or is to be acquired, constructed, transferred, or installed for the purpose of being substituted for obsolete industrial property if the obsolete industrial property is situated in a plant rehabilitation district in the same city, village, or township as the land on which the facility is or is to be constructed and includes the obsolete industrial property itself until such time as the substituted facility is completed.

(4) "New facility" means new industrial property other than a replacement facility to be built in a plant rehabilitation district or industrial development district.

(5) "Local governmental unit" means a city, village, or township.

(6) "Industrial property" means land improvements, buildings, structures, and other real property, and machinery, equipment, furniture, and fixtures or any part or accessory thereof whether completed or in the process of construction comprising an integrated whole, the primary purpose and use of which is the manufacture of goods or materials or the processing of goods and materials by physical or chemical change;

the operation of a theme and recreation park located in an industrial park district; property acquired, constructed, altered, or installed due to the passage of proposal A in 1976; or agricultural processing facilities. Industrial property shall include facilities related to a manufacturing operation under the same ownership, including but not limited to office, engineering, research and development, warehousing, or parts distribution facilities, but shall not include any of the following:

- (a) Land.
- (b) Property of a public utility.
- (c) Inventory.

Industrial property may be owned or leased if in the case of leased property, the lessee is liable for payment of ad valorem property taxes and furnishes proof of that liability.

(7) "Obsolete industrial property" means industrial property the condition of which is substantially less than an economically efficient functional condition.

(8) "Economically efficient functional condition" means a state or condition of property the desirability and usefulness of which is not impaired due to changes in design, construction, technology, or improved production processes, or from external influencing factors which make the property less desirable and valuable for continued use.

This act is ordered to take immediate effect.

Thomas S. Husband

Clerk of the House of Representatives.

William C. Londer

Secretary of the Senate.

Approved

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Governor.



Act No. 214
Public Acts of 1981
Approved by Governor
December 30, 1981, I.E.

**STATE OF MICHIGAN
81ST LEGISLATURE
REGULAR SESSION OF 1981**

Introduced by Reps. Henry, Mathieu, Padden, Mueller, Buth, Hillemonds, Fitzpatrick, Sietsema, Otterbacher, Hayes, Geerlings, Binsfeld, Kirksey and Skrel

ENROLLED HOUSE BILL No. 4494

AN ACT to amend section 7n of Act No. 206 of the Public Acts of 1893, entitled as amended "An act to provide for the assessment of property and the levy and collection of taxes thereon, and for the collection of taxes levied; making such taxes a lien on the lands taxed, establishing and continuing the lien, providing for the sale and conveyance of lands delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection therewith; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal certain acts and parts of acts in anywise contravening any of the provisions of this act," as added by Act No. 142 of the Public Acts of 1980, being section 211.7n of the Compiled Laws of 1970.

The People of the State of Michigan enact:

Section 1. Section 7n of Act No. 206 of the Public Acts of 1893, as added by Act No. 142 of the Public Acts of 1980, being section 211.7n of the Compiled Laws of 1970, is amended to read as follows:

Sec. 7n. Real estate or personal property owned and occupied by nonprofit theater, library, educational, or scientific institutions incorporated under the laws of this state with the buildings and other property thereon while occupied by them solely for the purposes for which the institutions were incorporated is exempt from taxation under this act. In addition, real estate or personal property owned and occupied by a nonprofit organization organized under the laws of this state devoted exclusively to fostering the development of literature, music, painting, or sculpture which substantially enhances the cultural environment of a community as a whole, is available to the general public on a regular basis, and is occupied by it solely for the purposes for which the organization was incorporated is exempt from taxation under this act.

This act is ordered to take immediate effect.

Thomas S. Husband

Clerk of the House of Representatives.

William C. Londer

Secretary of the Senate.

Approved

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Governor.

